



Finance Committee Meeting
June 15, 2017
7:00 am
City Manager's Meeting Room
Municipal Building-2nd Floor
312 W Whitewater St
Whitewater, WI 53190

1. Call to order and roll call.

Meeting was called to order by Lynn Binnie at 7:00 am. The meeting was held in the City Manager's Meeting Room, 2nd Floor Municipal Building, Whitewater, WI 53190.

Present: Patrick Singer and Lynn Binnie

Absent: None

Others: Cameron Clapper (City Manager), Steve Hatton (Director of Finance/Administrative Services), Stacey Lunsford (Library Director), Chris Grady (Council Member), and Kevin Krysinski (Johnson Block & Co).

2. Action on Request for Waiver of 72-hour notice requirement for posting of an agenda.

Motion by Singer, Second by Binnie for waiver of 72-hours notice requirement for posting of agenda.

Aye: All via voice vote (2)

Nay: None

3. Minutes: Review and approval of minutes of May 23, 2017 meeting.

Motion by Singer, Second by Binnie to approve the May 23, 2017 minutes.

Aye: All via voice vote (2)

Nay: None

4. 2016 Financial Audit: City Auditor Johnson-Block to present results of 2016 Audit of City Accounts. Discussion and possible direction regarding further dissemination.

City Auditor, Kevin Krysinski, from Johnson Block & Company presented a verbal report to the committee regarding the 2016 Financial Audit of city accounts. The committee agreed that Kevin would not be required to attend a Council meeting to provide the formal report a second time and staff could provide highlights of the report to the Common Council at the next available meeting date. The next meeting where the report could be provided would be July 18, 2017.

Motion by Singer, Second by Binnie, to move item #7 to discussion next and move #5 last on the agenda.

Aye: All via voice vote (2)

Nay: None

7. Library facilities: Discussion of financial implications of proposed expansion/relocation of the library. Finance Director, Steve Hatton, provided the committee with a report on the current financial standing of the City as it relates to municipal debt, both G.O. debt and utility bonds. The Committee was provided with the following conclusions:

1. Unless a new facility were to be constructed in an area already included in one of the City's six

(6) TIF Districts, no TID funding would be available.

2. Until a proposal is on the table from a developer including the cost required of the City, notable due diligence cannot be achieved.

3. Under a scenario where a private investor owns a new library facility to ensure eligibility for new market tax credits, there can be no documentation to guarantee the building would be gifted to the City after seven (7) years. This lack of documentation presents a large financial risk given that the City would be asked to contribute over \$3M upfront to fund the development.

4. Under the same scenario as stated above, it should be noted that the current library building and site carries value which we would not want to simply erase by building a new library elsewhere and then razing the existing facility.

5. The analysis presented to the Committee did not include the existing slate of CIP projects listed in the current CIP for 2018 or later.

6. Staff would recommend a self-imposed debt limit of 70% of capacity in order to maintain a stable bond rating.

7. Under this self-imposed debt limit, the City would have approximately \$5,456,005 of remaining debt capacity.

6. RFP for financial advising services. Discussion and possible direction regarding preparation and issuance of a Request for Proposal for financial advising services.

A draft RFP was reviewed by the committee. RFP should include besides items listed on draft:

- a) Term of 3 years w/options
- b) Termination for cause language
- c) Annual cost and project-based fees
- d) Final RFP Draft shall be reviewed by City Attorney, Wally McDonnell before posting.

5. 2018 Budget: Discussion and possible direction regarding the planning and timeline for the preparation of the 2018 Budget.

8. Adjournment

Motion by Binnie, second by Singer to adjourn at 8:05 a.m.

All via voice vote (2)

Nay: None